

CHARITY REGISTRATION NUMBER: 285030

CROYDON MOSQUE & ISLAMIC CENTRE
Financial Statements
31 December 2021

SALEEMI ASSOCIATES
Chartered accountants & statutory auditor
792 Wickham Road
Croydon CR0 8EA

CROYDON MOSQUE & ISLAMIC CENTRE

Financial Statements

Year ended 31 December 2021

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CROYDON MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report

Year ended 31 December 2021

The trustees present their report and the financial statements of the charity for the year ended 31 December 2021.

Status

The organisation is a UK Registered Charity (no. 285030 with the Charity Commission for England and Wales), and under the Worship Registration Act 1855 (no. 72213).

Reference and administrative details

Registered charity name CROYDON MOSQUE & ISLAMIC CENTRE

Principal office 525 London Road
Thornton Heath
Surrey
CR7 6AR

The trustees Mr Nowsad A Gani
Mr Shuaib Yusaf
Mr Asghar Ali

Management Committee

Afzal Hussen Amirali Ahmed Ali – Chairman (Appointed 01/01/2022)
Nazir Haji – General Secretary (Appointed 01/01/2022)
Mohammed Saqib Khan – Finance Secretary (Appointed 01/01/2022)
Waqas Khan – Madrassah Secretary
Mohammed Jamil Karim Okhai – Construction & Maintenance Secretary
Obaidullah Khalid – Community Welfare Secretary
Haroon Okhai – Funeral Secretary
M Rafiq Razzak - Fund Raising Secretary
Nadir Abdullah Khan Mothojakan – Mainstream Education Secretary
Parvez Wahid – Ex Chairman (resigned 31/12/2021)
Tanveer Saajjid – Ex General Secretary (resigned 31/12/2021) Rafiq
Yaqub – Ex Finance Secretary (resigned 31/12/2021)

Auditor Saleemi Associates
Chartered accountants & statutory auditor
792 Wickham Road
Croydon CR0 8EA

Bankers Barclays Bank PLC
1 North End
Croydon
Surrey CR9 1RN

National Westminster Bank Plc
1393 London Road
London
SW16 4XF

Legal Advisors

Lee Bolton Monier-Williams LLP
1 The Sanctuary
London
SW1P 3JT

CROYDON MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Structure, governance and management

The Trustees have pleasure in presenting their Report and the Financial Statements of the Charity for the year ended 31st December 2021. The Financial Statements have been prepared in accordance with the accounting policies set out in Note 3 to the Accounts and comply with the Charity's Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in England and Wales.

PRINCIPAL OBJECTIVES AND ACTIVITIES

The principal activities of the Charity were in accordance with the stated objectives of the Charity, namely the advance of Islam and related services to the community, and were as follows:

- The advancement of Islam through the provision of daily prayers and related services;
- The provision of Sharia compliant burial services for the community and other mosques in the locality;
- The education of Muslim children both in accordance with the teachings of Quran and Sunnah, and the National Curriculum through the provision of GCSE revision classes;
- The provision of services to the community to include regular events for the elderly and the youth;
- Special services for ladies through the provision of dedicated classes on matters religious and secular to include lifestyle, domestic and medical issues;
- Special surgeries to provide access for the community to legal, medical, local authority and elected representatives;
- Dedicated counselling as required by the community;
- Taking the lead on interfaith activities in the London Borough of Croydon;
- Conducting a regular liaison with the local authorities for the provision of services to the community;
- The staging of regular lectures and Quranic recitation performances by world renowned qaris (reciters of the holy Quran).

OTHER ACTIVITIES

The Charity weathered the pandemic and aftermath and remained viable albeit with curtailed income and staff numbers. Attendance is still somewhat curtailed and footfall is below the peak numbers before the pandemic. The Charity continues to participate fully in all measures to curtail the pandemic including use of its website for messaging to the affected community, and allowing use of its premises for vaccination purposes and community health education as necessary.

The Charity's income has been impacted as a result of a fall in voluntary donations and madrassah fee; however, the Charity is pleased to note that its properties generate rental income which mitigates against the fall in voluntary contributions.

The Trustees are pleased to note that the Charity continues to provide full funeral related services for the substantial number of bereavements which affected the local community.

VOLUNTEERS

The Trustees wish to record their appreciation on behalf of the Charity and community for the volunteers who assist in the smooth running of the Charity and are critical in helping to keep the running costs down. No volunteers were remunerated in the year.

CROYDON MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

TRUSTEES APPOINTMENT

The Trustees are appointed with the approval of the Majlis-e-Shoora as stipulated in the Charity's Constitution.

Basic guidance is provided to the new Trustees on their responsibilities as defined in the Constitution

ACHIEVEMENTS AND PERFORMANCE

Current and Future Activities

The Charity has continued with the activities as in the previous years, namely the advancement of Islam and related services to the community in the area. With the Phase III build now fully operational, (Women's and Children Centre), the Charity has increased the capacity to accommodate attendees at the Mosque. Regular activities and lectures and gatherings have allowed for greater participation and gender diversification at the Charity.

FINANCIAL REVIEWS

The results for the year are shown on page 9. The progress during the year and the position at the year-end is considered to be satisfactory.

The income for the year is higher than the previous year because of increased general donations and a full year's rental income from three investment properties. With the easing of COVID-19 restrictions, the Mosque has been fully operable with an increased footfall which has meant donations and collections have increased compared to the previous year. The Charity's Committee took the decision to early repay one of its loans relating to the investment property on 670 London Road, Croydon.

The receipts received for the running of the Centre are solely from donations from public together with rental income from invested properties.

RISK REVIEW

The Trustees have conducted their own review of the major risks to which the Charity is exposed and steps have been initiated to minimise the identified risks. All functions of the Charity are subjected to periodic review, resulting in a process of ongoing improvement. All staffs are trained and have all the required statutory and regulatory clearances required. In addition, all speakers who are allowed a platform at the Charity have due diligence conducted and material vetted prior to addressing the attendees at the Charity.

The impacts from the COVID-19 pandemic have eased throughout the year and the Committee remain vigilant and aware of these risks and perform regular reviews of any changes needed to the Mosque to mitigate any risks the pandemic may pose for its worshippers and visitors.

Additional works for ease of disabled access to the premises continue to be monitored and maintained.

SERIOUS INCIDENTS AND EXCEPTIONS

The Trustees submitted one Serious Incident Report (in the previous year) to the Charity Commission in respect of a historic safeguarding matter which did not occur on the Charity's premises, but involved one of the Charity's Employees. The Charity has accorded full cooperation to all affected local authorities. The matter is still ongoing and the Charity Commission are being kept abreast on all developments.

CROYDON MOSQUE & ISLAMIC CENTRE

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

The Trustees can report that there were no Exceptions recorded, and which gave rise to a need for the Trustees to record on the Charity's Exceptions' Register.

RELATED PARTY TRANSACTIONS

During the year the related party transactions amounted to total donations to Al-Khair Foundation of £47,550 and receipt of sponsorships from Al-Khair Foundation of £7,500, where Shuaib Yusaf is both a Trustee of the Charity and CEO at Al-Khair Foundation.

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately four months of unrestricted charitable expenditure. The Trustees have approved a reserve figure of £100,000 for the year.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 27 October 2022 and signed on behalf of the board of trustees by:



Mr Shuaib Yusaf
Trustee

CROYDON MOSQUE & ISLAMIC CENTRE

Independent Auditor's Report to the Members of CROYDON MOSQUE & ISLAMIC CENTRE

Year ended 31 December 2021

Opinion

We have audited the financial statements of Croydon Mosque & Islamic Centre (the 'charity') for the year ended 31 December 2021 which comprise of Statement of Financial Activities (including Income & expenditure account), Statement of Financial position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

CROYDON MOSQUE & ISLAMIC CENTRE

Independent Auditor's Report to the Members of CROYDON MOSQUE & ISLAMIC CENTRE

Year ended 31 December 2021

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Charity and its activities, we identified that the principle risk of non-compliance with law and regulations related to the Charities Act 2011, the Charities Statements of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements.

CROYDON MOSQUE & ISLAMIC CENTRE

Independent Auditor's Report to the Members of CROYDON MOSQUE & ISLAMIC CENTRE *(continued)*

Year ended 31 December 2021

We evaluated the trustees' and managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principle risk were related to manual journal entries to manipulate financial performance, management bias through judgements and assumptions is significant accounting estimates, in particular in relation to use of restricted funds, and significant one off or unusual transactions.

Our audit procedure were designed to response to those identified risk, including non-compliance with law and regulations (irregularities) and fraud that re material to the financial statements. Our audit procedure included but were not limited to:

- Discussing with the trustees and management their policies and procedure regarding compliance with law and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit ; and
- Considering the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

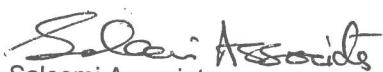
CROYDON MOSQUE & ISLAMIC CENTRE

Independent Auditor's Report to the Members of CROYDON MOSQUE & ISLAMIC CENTRE *(continued)*

Year ended 31 December 2021

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Saleemi Associates

Chartered accountants & statutory auditor

792 Wickham Road

Croydon CR0 8EA

Date: 28 October 2022

Saleemi Associates is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CROYDON MOSQUE & ISLAMIC CENTRE

Statement of Financial Activities

Year ended 31 December 2021

			2021			2020
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	4	316,968	78,505	—	395,473	330,661
Charitable activities	5	14,682	—	—	14,682	8,716
Other trading activities	6	3,977	9,250	—	13,227	8,815
Investment income	7	87,600	—	—	87,600	25,050
Total income		<u>423,227</u>	<u>87,755</u>	<u>—</u>	<u>510,982</u>	<u>373,242</u>
Expenditure						
Expenditure on raising funds:						
Costs of raising donations and legacies	8	—	14,635	—	14,635	5,851
Costs of other trading activities	9	2,479	—	—	2,479	5,091
Expenditure on charitable activities	10,11	329,638	9,250	33,674	372,562	382,315
Total expenditure		<u>332,117</u>	<u>23,885</u>	<u>33,674</u>	<u>389,676</u>	<u>393,257</u>
Net income/(expenditure)		<u>91,110</u>	<u>63,870</u>	<u>(33,674)</u>	<u>121,306</u>	<u>(20,015)</u>
Transfers between funds		(114,237)	—	114,237	—	—
Other recognised gains and losses						
Fair value movements		—	—	—	—	374,532
Net movement in funds		<u>(23,127)</u>	<u>63,870</u>	<u>80,563</u>	<u>121,306</u>	<u>354,517</u>
Reconciliation of funds						
Total funds brought forward		340,554	211,377	4,593,388	5,145,319	4,790,802
Total funds carried forward		<u>317,427</u>	<u>275,247</u>	<u>4,673,951</u>	<u>5,266,625</u>	<u>5,145,319</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 12 to 22 form part of these financial statements.

CROYDON MOSQUE & ISLAMIC CENTRE

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	16	2,801,399	2,831,702
Investments	17	2,165,000	2,165,000
		<u>4,966,399</u>	<u>4,996,702</u>
Current assets			
Stocks	18	24,007	20,223
Debtors	19	29,537	26,326
Cash at bank and in hand		508,470	478,526
		<u>562,014</u>	<u>525,075</u>
Creditors: amounts falling due within one year	20	<u>77,050</u>	<u>81,640</u>
Net current assets		<u>484,964</u>	<u>443,435</u>
Total assets less current liabilities		<u>5,451,363</u>	<u>5,440,137</u>
Creditors: amounts falling due after more than one year	21	<u>184,738</u>	<u>294,818</u>
Net assets		<u>5,266,625</u>	<u>5,145,319</u>
Funds of the charity			
Endowment funds		4,673,951	4,593,388
Restricted funds		275,247	211,378
Unrestricted funds		317,427	340,553
Total charity funds	23	<u>5,266,625</u>	<u>5,145,319</u>

These financial statements were approved by the board of trustees and authorised for issue on 27 October 2022, and are signed on behalf of the board by:

Mr Shuaib Yusaf
Trustee



The notes on pages 12 to 22 form part of these financial statements.

CROYDON MOSQUE & ISLAMIC CENTRE

Statement of Cash Flows

Year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	121,306	(20,015)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	32,177	33,002
Government grant income	(75,256)	(48,164)
Dividends, interest and rents from investments	(87,600)	(25,050)
Accrued income	(13,060)	(10,104)
<i>Changes in:</i>		
Stocks	(3,784)	(4,195)
Trade and other debtors	(3,211)	7,203
Trade and other creditors	1,446	5,221
Cash generated from operations	(27,982)	(62,102)
Net cash used in operating activities	(27,982)	(62,102)
Cash flows from investing activities		
Dividends, interest and rents from investments	87,600	25,050
Purchase of tangible assets	(1,874)	—
Purchases of other investments	—	(67,409)
Net cash from/(used in) investing activities	85,726	(42,359)
Cash flows from financing activities		
Proceeds from borrowings	(103,056)	(28,123)
Government grant income	75,256	48,164
Net cash (used in)/from financing activities	(27,800)	20,041
Net increase/(decrease) in cash and cash equivalents	29,944	(84,420)
Cash and cash equivalents at beginning of year	478,526	562,946
Cash and cash equivalents at end of year	508,470	478,526

The notes on pages 12 to 22 form part of these financial statements.

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 525 London Road, Thornton heath, Surrey, CR7 6AR.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 1% reducing balance
Fixtures and fittings	- 10% reducing balance
Motor vehicles	- 25% reducing balance
Equipment	- 10% reducing balance
Computer equipment	- 33% reducing balance

Investments

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Funeral income and donations	—	52,090	52,090
Donation - Construction fund	—	26,415	26,415
General donations	172,282	—	172,282
Madrassa Collections	66,430	—	66,430
Donated audit fee	3,000	—	3,000
Grants			
Government grant income	75,256	—	75,256
	<u>316,968</u>	<u>78,505</u>	<u>395,473</u>

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Funeral income and donations	—	47,400	47,400
Donation - Construction fund	—	28,510	28,510
General donations	114,248	1,555	115,803
Madrassa Collections	87,784	—	87,784
Donated audit fee	3,000	—	3,000
Grants			
Government grant income	48,164	—	48,164
	<u>253,196</u>	<u>77,465</u>	<u>330,661</u>

5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tax recovered under Gift Aid	<u>14,682</u>	<u>—</u>	<u>14,682</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tax recovered under Gift Aid	<u>4,499</u>	<u>4,217</u>	<u>8,716</u>

6. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Community events	—	9,250	9,250
Book shop income	3,977	—	3,977
	<u>3,977</u>	<u>9,250</u>	<u>13,227</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Community events	—	3,597	3,597
Book shop income	5,218	—	5,218
	<u>5,218</u>	<u>3,597</u>	<u>8,815</u>

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements (continued)

Year ended 31 December 2021

7. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from investment properties	87,600	87,600	25,050	25,050

8. Costs of raising donations and legacies

	Restricted Funds £	Total Funds 2021 £	Restricted Funds £	Total Funds 2020 £
Donations: Motor vehicle expenses	14,635	14,635	5,851	5,851

9. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Costs of other trading activities - Shop costs	2,479	2,479	5,091	5,091

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Support costs	329,638	9,250	33,674	372,562

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Support costs	341,301	3,597	37,417	382,315

11. Expenditure on charitable activities by activity type

	Support costs £	Total funds 2021 £	Total fund 2020 £
Expenditure on charitable activities	358,381	358,381	367,619
Governance costs	11,181	11,181	14,696
	372,562	372,562	382,315

12. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	32,177	33,002

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

13. Auditors remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>3,000</u>	<u>3,000</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	242,246	248,441
Social security costs	<u>3,189</u>	<u>4,774</u>
	<u>245,435</u>	<u>253,215</u>

Administration functions are carried out by unpaid volunteers.

The average head count of employees during the year was 38 (2020: 25).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

15. Trustee remuneration and expenses

During the year the Charity was under the control of Trustees and Management Committee members as listed on page 1. None of the trustee or management committee member were remunerated or paid any expenses

16. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Computer equipment £	Total £
Cost						
At 1 Jan 2021	2,793,273	175,611	15,900	122,778	20,685	3,128,247
Additions	—	—	1,874	—	—	1,874
At 31 Dec 2021	<u>2,793,273</u>	<u>175,611</u>	<u>17,774</u>	<u>122,778</u>	<u>20,685</u>	<u>3,130,121</u>
Depreciation						
At 1 Jan 2021	51,944	127,146	15,012	81,950	20,493	296,545
Charge for the year	22,493	4,846	691	4,083	64	32,177
At 31 Dec 2021	<u>74,437</u>	<u>131,992</u>	<u>15,703</u>	<u>86,033</u>	<u>20,557</u>	<u>328,722</u>
Carrying amount						
At 31 Dec 2021	<u>2,718,836</u>	<u>43,619</u>	<u>2,071</u>	<u>36,745</u>	<u>128</u>	<u>2,801,399</u>
At 31 Dec 2020	<u>2,741,329</u>	<u>48,465</u>	<u>888</u>	<u>40,828</u>	<u>192</u>	<u>2,831,702</u>

Above Freehold Properties figure exclude Invested/Rented properties and include 525 London Road only. Title Deeds relating to all the properties, namely, 525 London Road, 16 St. Paul's Road, 1 Dunheved Road South and 670 London Road are registered in the name of Trustees and are held by them on behalf of the Charity.

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

17. Investments

	Investment properties £
Cost or valuation	
At 1 January 2021 and 31 December 2021	<u>2,165,000</u>
Impairment	
At 1 January 2021 and 31 December 2021	
Carrying amount	
At 31 December 2021	<u>2,165,000</u>
At 31 December 2020	<u>2,165,000</u>

All investments shown above are held at valuation.

Investment properties

The reduction in value of the properties are considered to be an estimate. Additions relate to the conversion costs of Dunheved Road property into five flats.

18. Stocks

	2021 £	2020 £
Islamic Books and consumables	<u>24,007</u>	<u>20,223</u>

19. Debtors

	2021 £	2020 £
Sundry debtors – other	1,600	5,359
Prepayments	13,463	12,290
Gift Aid	14,474	8,677
	<u>29,537</u>	<u>26,326</u>

20. Creditors: amounts falling due within one year

	2021 £	2020 £
Qard e hasna	17,000	17,000
Shariah compliant loan	25,147	18,123
Accruals and deferred income	8,589	21,649
Outstanding Zakat and fitra distribution	8,083	4,888
Wages	18,231	19,980
	<u>77,050</u>	<u>81,640</u>

21. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	<u>184,738</u>	<u>294,818</u>

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements (continued)

Year ended 31 December 2021

21. Creditors: amounts falling due after more than one year (continued)

As at 31 December 2021 there was a total loan outstanding for repayment of £209,885 relating to 16 St Pauls Road and 1 Dunheved Road South. Qard E Hasna relates to interest free loan received from Mosque attendees for the build of Phase 3 repayable in 2022.

22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in income from donations and legacies:		
Government grants income	<u>75,256</u>	<u>48,164</u>

23. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2021 £
General funds	<u>340,554</u>	<u>423,227</u>	<u>(332,117)</u>	<u>(114,237)</u>	<u>—</u>	<u>317,427</u>

	At 1 Jan 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2020 £
General funds	<u>499,210</u>	<u>287,963</u>	<u>(346,392)</u>	<u>(100,228)</u>	<u>—</u>	<u>340,553</u>

Restricted funds

	At 1 Jan 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2021 £
Restricted Fund	<u>211,377</u>	<u>87,755</u>	<u>(23,885)</u>	<u>—</u>	<u>—</u>	<u>275,247</u>

	At 1 Jan 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2020 £
Restricted Fund	<u>135,547</u>	<u>85,279</u>	<u>(9,448)</u>	<u>—</u>	<u>—</u>	<u>211,378</u>

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements (continued)

Year ended 31 December 2021

23. Analysis of charitable funds (continued)

Endowment funds						
	At 1 Jan 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2021 £
Permanent						
Endowment Fund	4,593,388	—	(33,674)	114,237	—	4,673,951
Fair value reserve	—	—	—	—	—	—
	<u>4,593,388</u>	<u>—</u>	<u>(33,674)</u>	<u>114,237</u>	<u>—</u>	<u>4,673,951</u>

	At 1 Jan 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2020 £
Permanent						
Endowment Fund	3,291,045	—	(37,417)	100,228	—	3,353,856
Fair value reserve	865,000	—	—	—	374,532	1,239,532
	<u>4,156,045</u>	<u>—</u>	<u>(37,417)</u>	<u>100,228</u>	<u>374,532</u>	<u>4,593,388</u>

24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Tangible fixed assets	82,563	—	4,883,836	4,966,399
Current assets	278,684	283,330	—	562,014
Creditors less than 1 year	(43,820)	(8,083)	(25,147)	(77,050)
Creditors greater than 1 year	—	—	(184,738)	(184,738)
Net assets	<u>317,427</u>	<u>275,247</u>	<u>4,673,951</u>	<u>5,266,625</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Tangible fixed assets	90,373	—	4,906,329	4,996,702
Current assets	308,812	216,265	—	525,077
Creditors less than 1 year	(58,629)	(4,888)	(18,123)	(81,640)
Creditors greater than 1 year	—	—	(294,818)	(294,818)
Net assets	<u>340,556</u>	<u>211,377</u>	<u>4,593,388</u>	<u>5,145,319</u>

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

25. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	478,526	29,944	508,470
Debt due within one year	(35,123)	(7,024)	(42,147)
Debt due after one year	(294,818)	110,080	(184,738)
	<u>148,585</u>	<u>133,000</u>	<u>281,585</u>

26. Related parties

During the year the Charity was under the control of Trustees and Management Committee members as listed on page 1. None of the trustee or management committee member were remunerated or paid any expenses. However, they used the facilities offered by the Charity for performance of their religious duties like other members of the Muslim community.

CROYDON MOSQUE & ISLAMIC CENTRE

Management Information

Year ended 31 December 2021

The following pages do not form part of the financial statements.

CROYDON MOSQUE & ISLAMIC CENTRE

Detailed Statement of Financial Activities

Year ended 31 December 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Funeral income and donations	52,090	47,400
Donation - Construction fund	26,415	28,510
General donations	172,282	115,803
Madrassa Collections	66,430	87,784
Donated audit fee	3,000	3,000
Government grant income	75,256	48,164
	<u>395,473</u>	<u>330,661</u>
Charitable activities		
Tax recovered under Gift Aid	14,682	8,716
Other trading activities		
Community events	9,250	3,597
Book shop income	3,977	5,218
	<u>13,227</u>	<u>8,815</u>
Investment income		
Income from investment properties	87,600	25,050
Total income	<u><u>510,982</u></u>	<u><u>373,242</u></u>

CROYDON MOSQUE & ISLAMIC CENTRE

Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2021

Expenditure

Costs of raising donations and legacies

Motor vehicle expenses	<u>14,635</u>	<u>5,851</u>
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Costs of other trading activities

Opening stock	20,223	16,028
Purchases	6,263	9,286
Closing stock	<u>24,007</u>	<u>20,223</u>
	<u>2,479</u>	<u>5,091</u>

Expenditure on charitable activities

Wages and salaries	242,246	248,441
Employer's NIC	3,189	4,774
Rates and water	2,908	122
Light and heat	16,242	14,458
Repairs and maintenance	14,243	36,819
Insurance	10,147	9,424
Vehicle leasing/hire	2,324	253
Other motor/travel costs	1,114	835
Legal and professional fees	15,196	3,203
Donated audit fee	3,000	3,000
Telephone	1,244	1,234
Stationery and computer expenses	3,354	4,781
Depreciation	32,177	33,002
Bank Charges	9,250	3,597
Shariah Compliant loan – rent payable	15,928	18,372
	<u>372,562</u>	<u>382,315</u>

Total expenditure

<u>389,676</u>	<u>393,257</u>
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Net income/(expenditure)

<u>121,306</u>	<u>(20,015)</u>
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